

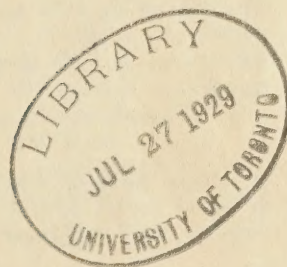
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*Canada. Finance, Dep. of.*

THE ISSUE AND REDEMPTION  
OF CURRENCY

THE DEPARTMENT OF FINANCE, OTTAWA



June 1, 1929.



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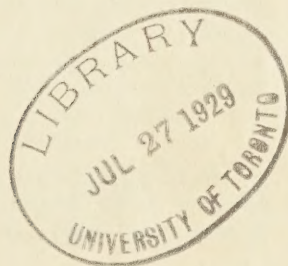
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Canada. Finance, Dep. of-

# THE ISSUE AND REDEMPTION OF CURRENCY

THE DEPARTMENT OF FINANCE, OTTAWA



OTTAWA, June 1, 1929.



# ISSUE AND REDEMPTION OF CURRENCY

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DEPARTMENT OF FINANCE,

OTTAWA, June 1, 1929.

The following regulations govern the issue and redemption of Dominion notes, the issue of gold, silver, nickel and bronze coin lawfully current in the Dominion of Canada; the redemption of smooth and mutilated silver, nickel and bronze coin of the Dominion of Canada and the redemption of United States and Newfoundland coin.

## I. ISSUE OF DOMINION NOTES

1. Dominion notes will be issued in exchange for worn, smooth or mutilated Dominion notes, for gold coin lawfully current in Canada and for smooth or mutilated silver, nickel and bronze coin of the Dominion of Canada.

2. Dominion notes of denominations not higher than \$5 will be issued in exchange for Dominion notes of denominations \$500 and \$1,000, or for Dominion notes negotiable between banks only; or vice versa.

3. Dominion notes of denominations \$500 and \$1,000 will be issued in exchange for Dominion notes negotiable between banks only; or vice versa.

4. New Dominion notes will be sent by express, at the bank's risk and expense, to banks and branches of banks at places where there is no office of an Assistant Receiver General in exchange for gold coin lawfully current in Canada, Dominion notes of denominations higher than \$5, Dominion notes negotiable between banks only or for bank drafts sent the Assistant Receiver General, drawn to his order and payable in the city in which his office is situated; provided that when notes are to be sent in exchange for bank drafts, the bank or branch of a bank on which the draft is drawn shall, when requested, redeem the draft in Dominion notes or gold at the office of the Assistant Receiver General.

5. The main offices of banks at places where there is an office of an Assistant Receiver General may requisition for small legals in amounts not exceeding \$20,000 and in exchange therefor tender a letter, in duplicate, signed by the Manager and the Accountant stating that a telegram has been forwarded to their main branch in Montreal to pay in to the office of the Assistant Receiver General, Montreal, the amount requisitioned for. From western points allowance in time has to be made so that settlement may be effected during banking hours of the same day in Montreal.

6. Banks and branches of banks at places where there is no office of an Assistant Receiver General may transmit at the bank's risk and expense, mutilated or unclean Dominion notes of denominations not higher than \$5, to the nearest office of an Assistant Receiver General and on receipt the Assistant Receiver General will transmit in exchange therefor, without expense to the bank or branch, an equal amount of new Dominion notes in such denominations, not higher than \$5, as the bank or branch may desire.

7. Banks receiving Dominion notes from an Assistant Receiver General, except as provided in sections 4 and 6 hereof, should verify the amount received before removing the notes from the office as claims for shortages made after the notes have been removed cannot be allowed.

## II. REDEMPTION OF DOMINION NOTES

8. Dominion notes will be redeemed in gold and redemption may be made in any denomination and kind of lawfully current gold coin at the option of the Assistant Receiver General to whom presented.



9. By gold is meant gold coins which are a legal tender in Canada and gold bullion in bars, each bar bearing either the stamp of the Royal Mint of the United Kingdom or of the branch thereof in Canada or of one of the branches thereof in Australia or of one of the coinage mints of the United States or of the Assay Office of the United States at New York certifying its weight and fineness, at a valuation of one dollar in the currency of Canada for every 23.22 grains of fine gold content.

10. Dominion notes for exchange or redemption must be assorted by denominations, the clean notes being separated from the unclean and mutilated. Each kind and denomination, as nearly as convenient, should be put up in lots of 100 notes, secured with a rubber band or paper strap. Each 500 or 1,000 notes, as nearly as convenient, should be wrapped in stout paper (but not more than 2,000 notes in one package), securely tied and sealed. With each consignment should be forwarded a memorandum or bordereau giving an inventory of the total amount contained in the package or packages, the sender's name and address, also the amount of each denomination of notes or specie required in exchange therefor. Notes cannot be accepted which are put up otherwise than in sealed packages unless the representative of the bank making delivery remains until the notes have been counted.

11. Settlement for Dominion notes delivered to an Assistant Receiver General by a bank or branch of a bank will be made at the time of delivery of the notes; provided that the Manager of the bank or branch making delivery furnishes the Assistant Receiver General with an undertaking in writing to make good any shortage which the examination of the notes may reveal. Banks will facilitate the work of the Assistant Receivers General by sending in exchanges not later than eleven o'clock each morning.

12a. Dominion notes, when mutilated so that not less than three-fifths of the original proportions remain, will be redeemed at face value.

12b. Dominion notes, when mutilated so that less than three-fifths, but clearly more than two-fifths of the original proportions remain, will be redeemed at one-half the face value of the whole note.

12c. Fragments less than three-fifths will be redeemed at face value of the whole note when accompanied by a Statutory Declaration of the owner or other person having knowledge of the facts that the missing portions have been totally destroyed. The declaration must state the cause and manner of the mutilation and the character of the declarant must be certified to be good by the official before whom the declaration is made or by some one known to the Assistant Receiver General to whom the fragments are presented for redemption.

12d. The value to be placed on the mutilated notes presented for redemption must be left to the discretion and judgment of the Assistant Receiver General to whom presented or in case his judgment is doubted, the fragments may be forwarded direct to the Comptroller of Currency at Ottawa for redemption.

12e. Reimbursement cannot be made for Dominion notes which have been totally destroyed.

13. Counterfeit notes found in exchanges will be cancelled and sent the Comptroller of Currency for transmission to the Chief Commissioner of the Royal Canadian Mounted Police and the banks, in whose remittances they have been discovered, will be advised of the fact. By communicating with the Chief Commissioner of the Royal Canadian Mounted Police arrangements may be made to have such notes submitted for reclamation.

### III. GOLD COIN

14. Gold coin which is lawfully current in Canada will be issued in redemption of Dominion notes. Gold coin issued to a bank or branch of a bank must be verified by count or by weight before the gold is removed from the office of the Assistant Receiver General.

15. Gold coin deposited in exchange for Dominion notes should be put up in bags of canvas or other suitable material and, as nearly as convenient, in amounts of \$5,000 or £1,000 and each bag should be securely tied and sealed. With each consignment should be forwarded a memorandum or bordereau giving the amount delivered, the sender's name and address, also the amount of each denomination of notes, silver or bronze coin required in exchange therefor. Gold coin cannot be accepted which is put up otherwise than in sealed bags unless the representative of the bank making delivery remains until it has been examined and the amount verified.

16. Settlement for gold coin delivered to an Assistant Receiver General by a bank or branch of a bank will be made at the time of delivery of the gold; provided that the manager of the bank or branch making delivery furnishes the Assistant Receiver General with an undertaking in writing to make good any shortage and to replace any gold falling below the weight at which it is lawfully current with gold which is lawfully current or with Dominion notes.

#### GOLD COIN WHICH IS LEGAL TENDER IN CANADA

17. All Canadian gold coin, struck by authority and of prescribed weight and fineness and which has not become diminished through ordinary and legitimate use so as to be of less weight than the current weight that is to say than the least current weight established.

18. British sovereigns, half sovereigns and any other gold coin being a multiple or division of the sovereign of the weight and fineness prescribed by the laws of the United Kingdom, May 4, 1910, and which is not of less weight than the current weight specified as the least current weight at which it is legal tender in the United Kingdom, shall pass current for four dollars, eighty-six and two-thirds of a cent of the currency of Canada for each sovereign and proportionate amounts for other denominations.

19. United States gold coin of the \$5 and \$10 and \$20 denominations coined after the eighteenth day of January, 1837, and while the standard of fineness for gold coins then fixed by the laws of the said United States remains unchanged and while the coins have not become diminished through ordinary and legitimate use by abrasion below the least current weight.

#### IV. ISSUE OF SILVER, NICKEL AND BRONZE COIN

20. New silver, nickel and bronze coin of the Dominion of Canada will be issued in exchange for Dominion notes, gold coin lawfully current in Canada and for smooth or mutilated silver, nickel or bronze coin.

21. New silver coin of the denominations of 50 cents, 25 cents and 10 cents, is put up in bags of \$100 each, new nickel in bags of \$100 each, and new bronze coin in bags of \$20 each.

22. Silver, nickel and bronze coin of the Dominion of Canada will be sent, by express, at the bank's risk and expense, to banks or branches of banks at places where there is no office of an Assistant Receiver General, in exchange for gold coin lawfully current in Canada or for bank drafts as described in paragraph 4 herein.

23. When there is a surplus of silver, nickel or bronze coin held in the city or vicinity of the city in which the office of an Assistant Receiver General is located, the Assistant Receiver General will direct banks requisitioning for specie to the bank holding the surplus so that additional surplus may not be put in circulation.

#### V. REDEMPTION OF SMOOTH AND MUTILATED SILVER, NICKEL AND BRONZE COIN

24. Silver, nickel and bronze coin of the Dominion of Canada which is worn smooth by reason of natural abrasion will be redeemed at face value, and silver, nickel and bronze coin upon which any name or advertisement has been stamped or impressed or which has been



punched, chipped or otherwise appreciably reduced in weight by any means except natural abrasion will be redeemed at a discount of 25 per cent of its face value. Redemption will be made in Dominion notes, new silver, nickel or bronze coin as the bank or branch may desire.

25. Banks and branches of banks at places where there is no office of an Assistant Receiver General may transmit at the bank's risk and expense, smooth and mutilated silver, nickel and bronze coin to the nearest office of an Assistant Receiver General, and on receipt the Assistant Receiver General will transmit in exchange therefor, without expense to the bank or branch, an amount equal to the face value of the smooth silver, nickel or bronze and to 75 per cent of the face value of the mutilated silver, nickel or bronze in Dominion notes, silver, nickel or bronze coin as the bank or branch may desire.

26. Smooth or mutilated silver, nickel and bronze coin for redemption must be assorted by denominations, the smooth being separated from the mutilated. Each kind and denomination, as nearly as convenient, should be put up in packages of \$10 each, and placed in canvas bags in amounts not exceeding \$100. The bags should be labelled with the amount contained therein and should be securely tied and sealed. With each consignment should be forwarded a memorandum or bordereau giving an inventory of the respective amounts of smooth and mutilated coin contained in the bag or bags, the sender's name and address, also the amount of each denomination of notes, silver or bronze coin desired in exchange therefor.

27. Settlement for smooth and mutilated silver, nickel or bronze coin delivered to an Assistant Receiver General by a bank or branch of a bank may be made at the time of delivery provided the manager of the bank, or branch, making delivery, furnishes the Assistant Receiver General with an undertaking in writing to make good any shortages which the examination of the specie may reveal.

28. Counterfeit silver found in consignments will be sent the Comptroller of Currency for transmission to the Chief Commissioner of the Royal Canadian Mounted Police and the banks in whose remittances this counterfeit silver has been found, will be advised of the fact. By communicating with the Chief Commissioner of the Royal Canadian Mounted Police arrangements may be made to have such coin submitted for reclamation.

## VI. REDEMPTION OF FOREIGN COIN

29. Silver, nickel or bronze coin of any other country than the Dominion of Canada is not legal tender within the Dominion and may, therefore, be refused as payment for any account, debt or obligation.

30. In June, 1926, an agreement was entered into between the chartered banks and the Dominion Government whereby the main office or branch of a bank at places where there is an office of an Assistant Receiver General will present all United States and Newfoundland coin received by the bank to the office of the Assistant Receiver General for exchange and settlement.

31. Foreign coin will be separated by the banks, by denominations, and settlement will be made in either Dominion of Canada notes or Canadian specie. Bronze coin will be put up loose in bags containing \$1 or multiples but not exceeding \$20 in any one bag. The 5 cent nickel and 5 cents, 10 cents, 25 cents, 50 cents and \$1 silver coin will be put up loose in bags containing \$5 or multiples but not exceeding \$100 in any one bag. Mutilated coin must be in separate packages. Mutilated nickel and bronze coin of the United States are worthless.

32. Settlement for foreign coin delivered to an Assistant Receiver General by a bank or branch of a bank may be made immediately upon delivery provided the manager of the bank or branch making delivery furnishes the Assistant Receiver General with an undertaking in writing to make good any shortages which the examination of the specie may reveal. Packages must be under seal and bear the name of the bank on the tag or seal.



## VII. GENERAL INFORMATION

33. The offices of the Assistant Receivers General are situated in the cities of Toronto, Montreal, Halifax, St. John, Winnipeg, Regina, Calgary, Victoria, and Charlottetown.

The following is the standard and least current weight of coins lawfully current in Canada:—

—	Standard Weight			Least Current Weight		
	Oz.	Dwts.	Grs.	Oz.	Dwts.	Grs.
<i>British Gold—</i>						
1 British sovereign.....	....	5	3.274	....	5	2.500
1 British half sovereign.....	....	2	13.637	....	2	13.125
2,000 half sovereigns.....	256	16	10.47	254	13	18.0
1,000 sovereigns.....	256	16	10.47	255	4	4.0
<i>United States Gold—</i>						
1 Double eagle, \$20.....	1	1	12.0	1	1	9.420
1 Eagle, \$10.....	....	10	18.0	....	10	16.710
$\frac{1}{2}$ Eagle, \$5.....	....	5	9.0	....	5	8.355
1,000 dollars.....	53	15	.....	53	9	15.0
5,000 dollars.....	268	15	.....	267	8	3.0
<i>Canadian Gold—</i>						
20 dollars.....	1	1	12.0	1	1	9.420
10 dollars.....	....	10	18.0	....	10	16.710
5 dollars.....	....	5	9.0	....	5	8.355
2½ dollars.....	....	2	16.50	....	2	16.178
1,000 dollars.....	53	15	.....	53	9	15.0
5,000 dollars.....	268	15	.....	267	8	3.0
<i>Canadian Silver—</i>						
50 cents.....	....	7	12.0			
25 cents.....	....	3	18.0			
10 cents.....	....	1	12.0			
Nickel, 5 cents.....	....	2	22.0			
Bronze, 1 cent.....	....	2	2.0			

The \$5 and \$10 Canadian gold coins are the only denominations minted at the Royal Mint, Ottawa, previous to the date of this circular.

## EXTRACTS FROM THE BANK ACT

No payment, whether in Dominion notes or bank notes, shall be made by the bank in bills that are unclean or torn or partially defaced by excessive handling. R.S. 1927, chapter 12, section 71.

Every officer charged with the receipt or disbursement of public moneys and every officer of any bank, and every person acting as or employed by any banker, shall stamp or write in plain letters, upon every counterfeit or fraudulent note issued in the form of a Dominion or bank note, and intended to circulate as money, which is presented to him at his place of business the word "Counterfeit," "Altered" or "Worthless."

If such officer or person wrongfully stamps any genuine note he shall, upon presentation, redeem it at the face value thereof. R.S. 1927, chapter 12, section 74.

Every person who mutilates, cuts, tears or perforates with holes any Dominion or bank note, or who in any way defaces a Dominion or bank note, whether by writing, printing, drawing or stamping thereon, or by attaching or affixing thereto anything in the nature or form of an advertisement shall, on summary conviction be liable to a penalty not exceeding twenty dollars.

## EXTRACTS FROM THE CRIMINAL CODE

"Every one is guilty of an indictable offence and liable to fourteen years' imprisonment who, without lawful authority or excuse, the proof whereof shall lie on him, purchases or receives from any person, or has in his custody or possession, any forged bank note, or forged blank bank note, whether complete or not, knowing it to be forged." R.S. 1927, Chap. 36, Sec. 550.

"Every one is guilty of an offence and liable, on summary conviction before two justices, to a fine of one hundred dollars or three months' imprisonment, or both, who designs, engraves, prints or in any manner makes, executes, utters, issues, distributes, circulates or uses any business or professional card, notice, placard, circular, hand-bill or advertisement in the likeness or similitude of any bank note, or any obligation or security of any government or any bank." R.S. 1927, Chap. 36, Sec. 551.

"Every one is guilty of an indictable offence and liable to fourteen years' imprisonment who impairs, diminishes or lightens any current gold or silver coin, with intent that the coin so impaired, diminished, or lightened may pass for current gold or silver coin." R.S. 1927, Chap. 36, Sec. 558.

"Every one is guilty of an indictable offence and liable to one year's imprisonment who defaces any current gold, silver or copper coin by stamping thereon any names or words, whether such coin is or is not thereby diminished or lightened, and afterwards tenders the same." R.S. 1927, Chap. 36, Sec. 559.

"Every one is guilty of an indictable offence and liable to fourteen years' imprisonment who utters any counterfeit coin resembling, or apparently intended to resemble or pass for, any current gold or silver coin, knowing the same to be counterfeit." R.S. 1927, Chap. 36, Sec. 564.

"Every one is guilty of an indictable offence and liable to three years' imprisonment who

"(a) utters, as being current, any gold or silver coin of less than its lawful weight, knowing such coin to have been impaired, diminished or lightened, otherwise than by lawful wear; or

"(b) with intent to defraud, utters, as or for any current gold or silver coin, any coin not being such current gold or silver coin, or any medal, or piece of metal or mixed metals, resembling, in size, figure and colour, the current coin as or for which the same is so uttered, such coin, medal or piece of metal or mixed metals so uttered being of less value than the current coin as or for which the same is so uttered; or

"(c) utters any counterfeit coin resembling or apparently intended to resemble or pass for any current copper coin, knowing the same to be counterfeit." R.S. 1927, Chap. 36, Sec. 565.

"Every one who utters any coin defaced by having stamped thereon any names or words, is guilty of an offence, and liable, on summary conviction before two justices, to a penalty not exceeding ten dollars." R.S. 1927, Chap. 36, Sec. 566.

"Every one who utters, or offers in payment, any copper coin, other than current copper coin, is guilty of an offence and liable, on summary conviction, to a penalty of double the nominal value thereof, and in default of payment of such penalty to eight days' imprisonment." R.S. 1927, Chap. 36, Sec. 567.

#### CURRENCY ACT, 1910, AS AMENDED, 1921

It shall not be lawful for any person, except under and in pursuance of a license granted by the Minister of Finance, to melt down, break up, or use otherwise than as currency any gold coin which is for the time being current and a legal tender in Canada.

"(2) If any person acts in contravention of this section, or acts in contravention of or fails to comply with any condition attached to a license granted under this section, he shall, for each offence, be liable on summary conviction to a fine not exceeding two hundred and fifty dollars or to imprisonment with or without hard labour for a term not exceeding twelve months, or to both such fine and imprisonment, and, in addition to any other punishment, the court dealing with the case may order the articles in respect of which the offence was committed to be forfeited." R.S. 1927, Chap. 40, Sec. 25.

J. C. SAUNDERS,

*Deputy Minister of Finance.*

S. P. McCAVOUR,

*Comptroller of Currency.*







